GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:6527
ANSWERED ON:09.05.2005
FUND FOR EDIBLE OIL INDUSTRY
Chowdhury Shri Adhir Ranjan

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government has received any proposal for setting up a separate fund for the edible oil industry;

(b) if so, the details thereof; and

(c) the reaction of the Government thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a): Yes, Sir.

(b) & (c): While there is no Fund (established by the Central Government) entitled `Edible Oil Industry Development Fund`, a proposal to create an `Edible Oil Industry Development Fund` by setting a part of the proceeds on import duty on edible oils was forwarded to the Ministry of Finance in August 2001. In this proposal, it was mentioned that the Fund may be utilized to meet the requirements of the existing edible oil units for modernization/technical upgradation, as also for the revival/rehabilitation of sick edible oil units.

The Ministry of Finance intimated in September 2001 that the proposal to create an Edible Oil Industry Development Fund was similar to that of the Sugar Development Fund (SDF) which is supported through imposition of Cess, charged along with excise, at the sugar factory gate. However, unlike sugar industry, the oilseed crushers are far too numerous, lack organization and fall in the Small Scale Industries (SSI) reservation category. Hence, the Ministry of Finance stated that it was not feasible to impose a Cess on these units.

As regards the suggestion that a part of the proceeds of Customs Duty could be set aside for creation of the Fund, the Ministry of Finance indicated that the same did not appear appropriate as Customs Duty collections accrue to the Consolidated Fund of India and the proceeds are apportioned between the Center and the States. Hence, an Edible Oil Industry Development Fund could not be established.